

**INTERNATIONAL COUNCIL FOR CONTROL OF  
IODINE DEFICIENCY DISORDERS**

**CONSEIL INTERNATIONAL POUR LE CONTRÔLE  
DES TROUBLES DUS À LA DÉFICIENCE EN IODE**

FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND 2011

**INTERNATIONAL COUNCIL FOR CONTROL OF  
IODINE DEFICIENCY DISORDERS**

**CONSEIL INTERNATIONAL POUR LE CONTRÔLE  
DES TROUBLES DUS À LA DÉFICIENCE EN IODE**

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**INDEPENDENT AUDITOR'S REPORT**

To the Members of  
International Council for Control of Iodine Deficiency Disorders /  
Conseil international pour le contrôle des troubles dus à la déficience en iode

We have audited the accompanying financial statements of International Council for Control of Iodine Deficiency Disorders / Conseil international pour le contrôle des troubles dus à la déficience en iode, which comprise the statements of financial position as at December 31, 2012, December 31, 2011 and January 1, 2011, and the statements of operations, changes in net assets and cash flows for the years ended December 31, 2012 and December 31, 2011, and a summary of significant accounting policies and other explanatory information.

*Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of International Council for Control of Iodine Deficiency Disorders / Conseil international pour le contrôle des troubles dus à la déficience en iode as at December 31, 2012, December 31, 2011 and January 1, 2011, and the results of its operations and its cash flows for the years ended December 31, 2012 and December 31, 2011 in accordance with Canadian accounting standards for not-for-profit organizations.



Chartered Accountants, Licensed Public Accountants

Ottawa, Ontario  
March 27, 2013

**INTERNATIONAL COUNCIL FOR CONTROL OF  
IODINE DEFICIENCY DISORDERS**

**CONSEIL INTERNATIONAL POUR LE CONTRÔLE  
DES TROUBLES DUS À LA DÉFICIENCE EN IODE**

**STATEMENTS OF OPERATIONS**

**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

**(in US dollars)**

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	2012	2011
<b>REVENUE</b>		
Projects (Note 4)	\$ 443,750	\$ 165,153
AUSAID - Contribution	348,871	498,931
Kiwanis International	30,680	-
Interest	5,244	3,375
Member donations	5,000	10,000
Donations	3,815	2,967
	<b>837,360</b>	<b>680,426</b>
<b>OPERATING EXPENSES</b>		
Direct project costs (Schedule A)	430,800	147,502
Regional support (Schedule B)	249,741	322,277
Secretariats (Schedule C)	53,660	51,953
Newsletter and Website	50,087	55,628
Board meeting	30,680	-
Annual conference	14,096	25,492
Audit and legal	9,252	8,367
Travel	2,372	2,895
Bank charges	775	800
Fundraising	377	383
Board insurance	354	-
Officer honorarium	-	25,000
Advocacy (Schedule D)	-	2,084
	<b>842,194</b>	<b>642,381</b>
	<b>(4,834)</b>	<b>38,045</b>
<b>OTHER REVENUE</b>		
Foreign currency translation gain (loss)	18,893	(21,703)
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>\$ 14,059</b>	<b>\$ 16,342</b>

**INTERNATIONAL COUNCIL FOR CONTROL OF  
IODINE DEFICIENCY DISORDERS**

**CONSEIL INTERNATIONAL POUR LE CONTRÔLE  
DES TROUBLES DUS À LA DÉFICIENCE EN IODE**

**STATEMENTS OF CHANGES IN NET ASSETS**

**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

**(in US dollars)**

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	<b>Internally Restricted Hetzel Award (Note 8)</b>	<b>Unrestricted</b>	<b>2012 Total</b>	<b>2011 Total</b>
<b>BALANCE, BEGINNING OF YEAR</b>	\$ 10,000	\$ 340,825	\$ 350,825	\$ 334,483
Excess of revenue over expenses	-	14,059	14,059	16,342
<b>BALANCE, END OF YEAR</b>	\$ 10,000	\$ 354,884	\$ 364,884	\$ 350,825

**INTERNATIONAL COUNCIL FOR CONTROL OF  
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**CONSEIL INTERNATIONAL POUR LE CONTRÔLE  
DES TROUBLES DUS À LA DÉFICIENCE EN IODE**

**STATEMENTS OF FINANCIAL POSITION**

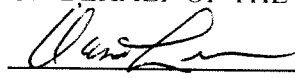
**DECEMBER 31, 2012 AND 2011 AND JANUARY 1, 2011**

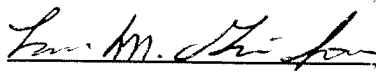
**(in US dollars)**

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	2012	2011	January 1, 2011
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash	\$ 368,177	\$ 423,400	\$ 130,169
Term deposits, between 0.95% and 1.05%, maturing between April and December 2013	605,208	198,125	200,850
Accounts receivable (Note 5)	71,498	52,858	50,324
Prepaid expenses	2,617	140	140
	<b>\$ 1,047,500</b>	<b>\$ 674,523</b>	<b>\$ 381,483</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable and accrued liabilities	\$ 26,253	\$ 21,430	\$ 22,868
Deferred contributions (Note 6)	656,363	302,268	24,132
	<b>682,616</b>	<b>323,698</b>	<b>47,000</b>
<b>NET ASSETS</b>			
Internal Restrictions - Hetzel Awards (Note 8)	10,000	10,000	10,000
Unrestricted	354,884	340,825	324,483
	<b>364,884</b>	<b>350,825</b>	<b>334,483</b>
	<b>\$ 1,047,500</b>	<b>\$ 674,523</b>	<b>\$ 381,483</b>

ON BEHALF OF THE BOARD

 Director

 Director

**INTERNATIONAL COUNCIL FOR CONTROL OF  
IODINE DEFICIENCY DISORDERS**

**CONSEIL INTERNATIONAL POUR LE CONTRÔLE  
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**STATEMENTS OF CASH FLOWS**

**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

**(in US dollars)**

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	<b>2012</b>	<b>2011</b>
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenses	\$ 14,059	\$ 16,342
Net change in non-cash working capital items (Note 9)	337,801	274,164
	<b>351,860</b>	<b>290,506</b>
<b>INVESTING ACTIVITY</b>		
Change in term deposits	(407,083)	2,725
<b>INCREASE (DECREASE) IN CASH</b>	<b>(55,223)</b>	<b>293,231</b>
<b>CASH, BEGINNING OF YEAR</b>	<b>423,400</b>	<b>130,169</b>
<b>CASH, END OF YEAR</b>	<b>\$ 368,177</b>	<b>\$ 423,400</b>



# INTERNATIONAL COUNCIL FOR CONTROL OF IODINE DEFICIENCY DISORDERS

## CONSEIL INTERNATIONAL POUR LE CONTRÔLE DES TROUBLES DUS À LA DÉFICIENCE EN IODE

### NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND 2011 AND JANUARY 1, 2011

(in US dollars)

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#### 1. STATUTE AND NATURE OF OPERATIONS

The International Council for Control of Iodine Deficiency / Conseil international pour le contrôle des troubles dus à la déficience en iode is a not-for-profit organization that promotes and supports the elimination of iodine deficiency disorders. The Council has been incorporated under the provisions of Part II of the Canada Corporations Act in 1999 and commenced its operations in April 2001. It is a registered public foundation and is therefore exempt from income taxes under section 149 of the Income Tax Act. The Council operates under the name of ICCIDD Global Network.

#### 2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) and include the following significant accounting policies:

##### **Use of estimates**

The preparation of financial statements in compliance with the ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the period. Actual amounts could differ from these estimates.

##### **Revenue recognition**

The Council follows the deferral method for recognizing revenue from contributions, restricted donations and grants.

Other revenues are recognized when received or receivable.

##### **Foreign currency**

The financial statements are prepared using the United States dollar as the reporting currency. The Council uses the temporal method to translate its foreign currency transactions. All transactions in other currencies during the year have been converted using the exchange rate in effect at the date of the transaction. As at year end, monetary items not denominated in United States dollars are translated at the year end exchange rate.

# INTERNATIONAL COUNCIL FOR CONTROL OF IODINE DEFICIENCY DISORDERS

## CONSEIL INTERNATIONAL POUR LE CONTRÔLE DES TROUBLES DUS À LA DÉFICIENCE EN IODE

### NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND 2011 AND JANUARY 1, 2011

(in US dollars)

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## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### Financial instruments

#### *Measurement of financial instruments*

The Council initially measures its financial assets and financial liabilities at fair value, except for certain non-arm's length transactions.

The Council subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net earnings.

Financial assets measured at amortized cost include cash, term deposits and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

#### *Impairment*

Financial assets measured at cost are tested for impairment when there are indicators of possible impairment. The Council determines whether a significant adverse change has occurred in the expected timing or amount of future cash flows from the financial asset. If this is the case, the carrying amount of the asset is reduced directly to the higher of the present value of the cash flows expected to be generated by holding the asset, and the amount that could be realized by selling the asset at the balance sheet date. The amount of the write-down is recognized in net earnings. The previously recognized impairment loss may be reversed to the extent of the improvement, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net earnings.

#### *Transaction costs*

The Council recognizes its transaction costs in net earnings in the period incurred. However, transaction costs related to financial instruments subsequently measured at amortized cost reduce the carrying amount of the financial asset or liability and are accounted for in the statement of earnings using the straight-line method.

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**NOTES TO THE FINANCIAL STATEMENTS**

**DECEMBER 31, 2012 AND 2011 AND JANUARY 1, 2011**

**(in US dollars)**

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**3. IMPACT OF THE CHANGE IN THE BASIS OF ACCOUNTING**

The Organization has elected to apply the ASNPO. These financial statements are the first financial statements for which the Organization has applied the ASNPO.

The financial statements for the year ended December 31, 2012 were prepared in accordance with the ASNPO and provisions set out in Section 1501, "First-time adoption by not-for-profit organizations", for first-time adopters of this basis of accounting. Adopting these standards did not have any impact on the net assets at the date of transition of January 1, 2011.

**4. PROJECTS**

	<b>2012</b>		<b>2011</b>
CIDA	\$ 216,305	\$	-
GAIN / Intertek	184,991		22,334
United Arab Emirates	42,454		90,535
UNICEF - Tanzania	-		52,284
	<b>\$ 443,750</b>	<b>\$</b>	<b>165,153</b>

**5. ACCOUNTS RECEIVABLE**

	<b>2012</b>		<b>2011</b>	<b>January 1, 2011</b>
Accounts receivable	\$ 65,809	\$	12,232	\$ 34,055
Sales taxes receivable	5,689		5,342	2,269
Contribution receivable	-		35,284	14,000
	<b>\$ 71,498</b>	<b>\$</b>	<b>52,858</b>	<b>\$ 50,324</b>

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**NOTES TO THE FINANCIAL STATEMENTS**

**DECEMBER 31, 2012 AND 2011 AND JANUARY 1, 2011**

**(in US dollars)**

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**6. DEFERRED CONTRIBUTIONS**

	Balance Deferred December 31, 2011	Received	Recognized	Balance Deferred December 31, 2012
AUSAID	\$ 184,660	\$ 505,011	\$ 348,871	\$ 340,800
United Arab Emirates	35,465	14,000	42,454	7,011
GAIN / Intertek	82,143	139,568	184,991	36,720
CIDA	-	380,817	216,305	164,512
Kiwanis International	-	88,000	30,680	57,320
UNICEF	-	50,000	-	50,000
	<b>\$ 302,268</b>	<b>\$ 1,177,396</b>	<b>\$ 823,301</b>	<b>\$ 656,363</b>

	Balance Deferred December 31, 2010	Received	Recognized	Balance deferred December 31, 2011
AUSAID	\$ 24,132	\$ 659,459	\$ 498,931	\$ 184,660
United Arab Emirates	-	126,000	90,535	35,465
GAIN / Intertek	-	104,477	22,334	82,143
	<b>\$ 24,132</b>	<b>\$ 889,936</b>	<b>\$ 611,800</b>	<b>\$ 302,268</b>

**7. LETTER OF GUARANTEE**

As at December 31, 2012, the Council had a letter of guarantee of \$56,000 outstanding with the Government of the United Arab Emirates pertaining to a contract for work being performed by the Council. The letter of guarantee will be revoked upon successfully fulfilling the terms of the contract. The letter of guarantee expires on June 4, 2013.

**8. INTERNAL RESTRICTIONS**

The Board of Directors of the Council created the Basil Hetzel Award Fund to honor the achievement of Dr. Basil Hetzel. The Award was created following a special contribution made by Dr. Hetzel. A cash grant of \$ 2,000 can be awarded to a person or persons who made the most significant public advocacy for the elimination of iodine deficiency disorders.

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**NOTES TO THE FINANCIAL STATEMENTS**

**DECEMBER 31, 2012 AND 2011 AND JANUARY 1, 2011**

**(in US dollars)**

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**9. NET CHANGE IN NON-CASH WORKING CAPITAL ITEMS**

	<b>2012</b>	<b>2011</b>
Accounts receivable	\$ (18,640)	\$ (2,534)
Prepaid expenses	(2,477)	-
Accounts payable and accrued liabilities	4,823	(1,438)
Deferred contributions	354,095	278,136
	<b>\$ 337,801</b>	<b>\$ 274,164</b>

**10. FINANCIAL INSTRUMENTS**

**Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Council's main credit risks relate to its accounts receivable. The Council advances money to its partners in the normal course of its operations.

Approximately 75% of the total accounts receivable is to be received from three partners. The Council considers that no risk arises from that situation.

**Currency risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As at December 31, 2012, assets include cash of \$237,046 and term deposits of \$603,326 (2011: \$341,988 and \$202,078) in Canadian dollars, which have been converted into US dollars.

**11. COMPARATIVE FIGURES**

Certain comparative figures have been reclassified to be consistent with the current year's presentation.

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**ADDITIONAL INFORMATION**

**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

**(in US dollars)**

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	2012	2011
<b>SCHEDULE A - DIRECT PROJECT COSTS</b>		
CIDA	\$ 216,305	\$ -
GAIN / Intertek	184,991	22,334
United Arab Emirates	29,504	77,145
UNICEF - Tanzania	-	48,023
	<b>\$ 430,800</b>	<b>\$ 147,502</b>

**SCHEDULE B - REGIONAL SUPPORT**

Africa	\$ 34,292	\$ 43,787
Asia Pacific	42,000	41,490
China and Eastern Asia	40,839	48,000
Eastern Europe	21,588	25,000
Europe	27,000	30,000
Gulf	27,000	48,000
Latin America	30,022	38,000
South East Asia	27,000	48,000
	<b>\$ 249,741</b>	<b>\$ 322,277</b>

**SCHEDULE C - SECRETARIATS**

Ottawa	\$ 51,469	\$ 49,587
Executive Director	2,191	2,366
	<b>\$ 53,660</b>	<b>\$ 51,953</b>

**SCHEDULE D - ADVOCACY**

National	\$ -	\$ 655
Regional	-	799
Global	-	630
	<b>\$ -</b>	<b>\$ 2,084</b>